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RUEHDK/AMEMBASSY DAKAR 2621
RUEHKM/AMEMBASSY KAMPALA 3039
RUEHNR/AMEMBASSY NAIROBI 5480
RUEHGV/USMISSION GENEVA 2163
RHEHAAA/NSC WASHDC
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RHEFDIA/DIA WASHDC
RUEAIIA/CIA WASHDC
RUCPDOG/USDOC WASHDC

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SIPDIS

AF/S FOR B. WALCH
ADDIS ABABA FOR USAU
ADDIS ABABA FOR ACSS
NSC FOR SENIOR AFRICA DIRECTOR MICHELLE GAVIN
TREASURY FOR D. PETERS
STATE PASS TO USAID FOR LDOBBINS AND JHARMON
COMMERCE FOR BECKY ERKUL

E.O.12958: N/A
TAGS: [PGOV](#) [PREL](#) [ASEC](#) [PHUM](#) [EAGR](#) [ECON](#) [EFIN](#) [ZI](#)
SUBJECT: ZIM NOTES 06-05-09 (Corrected)

SUMMARY - Topics of the week

APOLOGIES - Harare 467 should have read Zim Notes 05-22-09.

- CODEL Payne Visits Zimbabwe
- Tsvangirai World Tour Kicking Off
- Farmers Going Back to SADC for Enforcement of Ruling
- MDC-T Annual Conference Concludes
- High Court to Rule on Legal Status of MIC
- Ivory and Diamond Smugglers Arrested
- Abductees Re-Abducted
- "Drop the Sanctions" Drumbeat Going Strong
- Brits Clarify Sanctions
- Still Deflation in April, but Fuel Prices Rising
- USDA's 2009 Zimbabwe Crop Assessment
- Lively Discussion at Indigenization Forum
- The End of Look East
- Cabinet Approves Privatization of Parastatals
- Bloch Calls Gideon Gono a Genius
- Quote of the Week

On the Political/Social Front

[1](#)1. CODEL Payne Visits Zimbabwe: Chairman of the House Sub-Committee on Africa and Global Health, Donald Payne and three professional congressional staffers visited Zimbabwe May 29-31. The delegation met with President Mugabe (Harare 456), Prime Minister Morgan Tsvangirai, a number of senior government officials, and business and civil society leaders. This was the first CODEL Post has received in several years.

[1](#)2. Tsvangirai World Tour Kicking Off: Prime Minister Morgan Tsvangirai and a delegation of senior government officials depart Zimbabwe this weekend for a three-week tour of North American and European capitals to lobby for financial assistance, reassure the West of their commitment to bringing about human rights reforms, and report on the inclusive government's progress. The trip will begin in the U.S. and also includes stops in Canada, the UK, Germany, France, and several other European nations. Finance Minister Tendai Biti has said that Zimbabwe needs over eight billion U.S. dollars to turn around the economy.

[1](#)3. Farmers Going Back to SADC for Enforcement of Ruling: On June 5 the Southern African Development Community (SADC) Tribunal in Windhoek will hear an application of Zimbabwe commercial farmers William Campbell and Richard Etheredge to have the Zimbabwe government's noncompliance with last November's ruling reported to the SADC Summit for eventual enforcement. Since the November ruling, it has been widely reported that many of the over 70 plaintiff farmers and their workers have continued to suffer evictions, harassment and in some cases, beatings.

[1](#)4. MDC-T Annual Conference Concludes: The MDC-T wrapped up its two-day national conference in Harare on May 31 to renew and re-evaluate the party's priorities. The event was attended by over 1,000 party delegates who issued resolutions affirming the party's primary objective of achieving democratic progress and criticizing continued breaches in the rule of law and the prevalence of high-level corruption. The conference specifically called for the ouster of RBZ Governor Gono and Attorney General Tomana. The Speaker of the House of Assembly, Lovemore Moyo, was elected substantive chairperson of the MDC-T.

[1](#)5. High Court to Rule on Legal Status of MIC: The High Court is

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scheduled to rule on June 5 on a challenge to the requirement that journalists be accredited by the Media and Information Commission

(MIC) for the ongoing COMESA summit. Four freelance journalists -- Stanley Gama, Valentine Maponga, Jealous Mawarire and Stanley Kwenda -- are asking the court to order Media and Information Minister Webster Shamu to retract statements issued in late May instructing journalists to seek accreditation through the MIC. The MIC was rendered illegal by amendments to the Access to Information and Protection of Privacy Act (AIPPA). In a statement issued through the government-controlled daily newspaper The Herald, the Ministry said "the MIC commissioners would cease their functions" while accreditation is being conducted by the MIC secretariat "under the law."

16. Ivory and Diamond Smugglers Arrested: This week The Herald touted two different arrests of smugglers. First, the paper reported that three airport security officers were in court this week for facilitating the smuggling of 500kg of ivory intercepted at the Beijing airport back in January. Other airport employees are reportedly under investigation for smuggling ivory, drugs, and evading duty payments. Separately, a Lebanese man was arrested this week for attempting to smuggle out 2.3kg of diamonds. These arrests are likely designed to demonstrate progress to address CITES and Kimberley Process concerns about smuggling.

17. Abductees Re-Abducted: On Tuesday, three of the MDC members who were abducted in late 2008 and held incommunicado for several months were re-abducted by police. The officers took the trio to the Attorney General's office where they were forced to recite testimony the AG's office prepared for them. The testimony is to be used in the first of three trials of the abductees that will begin on Monday June 8.

18. "Drop the Sanctions" Drumbeat Going Strong: Rhetoric in the press calling on the U.S. and UK to drop sanctions appears to be increasing daily, probably in preparation for Prime Minister Tsvangirai's upcoming trip to the U.S. and Europe. This week the independent weekly The Zimbabwe Independent cited "high level government sources" in an article reporting that Congressman Payne's visit was partly in preparations to lift sanctions and the Zimbabwe Democracy and Economic Recovery Act (ZDERA).

19. Brits Clarify Sanctions: The British Embassy in Harare, apparently fed up with the local press's sanctions rhetoric, issued a press release this week to clarify that British sanctions are limited to 243 individuals. The press release came after an article in The Herald declared sanctions had hit British pensioners hard; it was accompanied by a cartoon that mischaracterized British assistance to citizens. The British embassy recently stepped up efforts to repatriate elderly citizens who want to leave Zimbabwe. Efforts to repatriate elderly citizens who want to leave Zimbabwe.

Economic and Business News

110. Still Deflation in April, but Fuel Prices Rising: The month-on-month inflation as measured by changes in the consumer price index (CPI) fell from 3 percent in March to 1.1 percent in April 2009. Most commodity subgroups recorded declines in prices with the exception of housing, water, electricity and gas, as well as recreation and culture which recorded m-o-m price increases of 6.5 percent and 0.2 percent respectively. In a blow to business recovery, this week the price of gasoline and diesel rose 12 percent and 18 percent respectively on the back of higher world prices and the recent policy shift from a fixed amount of duty to an ad valorem rate.

111. USDA's 2009 Zimbabwe Crop Assessment: The USDA Assessment
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suggests that 1,144,000 ha of maize were planted last year and yield was 0.44 MT/ha for a total crop of only half a million tons. The report takes into account the acute shortage of inputs, along with late planting. The USDA estimate is less than half the calculation made by the GOZ, which used a slightly higher area planted and a much higher yield of 0.82 MT/ha. Zimbabwe's national maize requirement is between 1.8 and 2.3 million MT. To put the yield figures in perspective, before fast-track land reform, commercial maize growers strove to be in the celebrated and now defunct "Ten Tonne Club" of farmers who achieved a yield of 10 MT/ha. The USDA Assessment is available at [www.pecad.fas.usda.gov/highlights/2009/06/zim babwe/](http://www.pecad.fas.usda.gov/highlights/2009/06/zim%20babwe/)

112. Lively Discussion at Indigenization Forum: The American Business Association of Zimbabwe held a half-day policy dialogue forum on indigenization this week with guest speakers from the business communities of Zimbabwe and South Africa, as well as from the Ministry of Indigenization and Zimbabwe's vociferous Affirmative Action Group. The focus of lively discussion was the contrast between South Africa's focus on empowerment and the focus of Zimbabwe's Indigenization Act on ownership.

113. The End of Look East: Opening the Indigenization Forum, Deputy Prime Minister Arthur Mutambara announced that the GOZ had abandoned its "Look East" policy and would now look neither east nor west for investment, rather to all corners of the globe.

114. Cabinet Approves Privatization of Parastatals: The Independent reported today that Cabinet approved commercialization and privatization plans for Zimbabwe's deeply loss-making parastatals "to revive the comatose economy." Details are sketchy.

115. Bloch Calls Gideon Gono a Genius: Despite the Reserve Bank's glaring failure in economic management, Bulawayo accountant and self-styled economist Eric Bloch thinks RBZ Governor Gideon Gono is a genius who should be allowed to see his second term out because his removal would not be in the best interest of Zimbabweans. Bloch, who served as an advisor to Gono, absolved him any wrongdoing, saying whatever Gono did at the RBZ was under the direction of the ZANU-PF government.

116. Quote of the Week:

"We now have the biggest chicken hatching project in Africa: People

might see this and say I built it with money stolen from RBZ. That's not it; it's a vision that I have always had and I can tell you that by end of 2010, I will be slaughtering five million chickens a year."

-- Reserve Bank Governor and Self-Proclaimed "Best Chicken Farmer in Africa" Gideon Gono, touting his farm's success to The Zimbabwe Times on June 4, 2009.

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